

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE**

**BCOM 302: COMPANY LAW**

**STREAMS: BCOM Y3S2 (ODEL)**

**TIME: 2 HOURS**

**DAY/DATE: MONDAY 29/03/2021**

**2.30 P.M. – 4.30 P.M.**

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**INSTRUCTIONS:**

- **Answer question ONE and any other TWO questions**

**QUESTION ONE**

A group of Business and Management students of Meru university have come together to form a small business firm dealing with processing and export of juice products. You have been appointed as a member of the technical committee to help in registering the firm. Explain to the committee the below issues that will guide you in successful registration of the firm.

- (i) The consequences of incorporating a company. (10 marks)
- (ii) The reasons for appointing and using the services of a promoter. (6 marks)
- (iii) The contents of the company's Articles of Association. (8 marks)
- (iv) The advantages of the firm being 'limited' (6 marks)

**QUESTION TWO**

- (a) It is mandatory for a public Ltd company to hold meetings whenever necessary to discuss company matters relating to the business of the company. Discuss the various types of company meetings. (12 marks)
- (b) Explain how membership can be lost in a company. (8 marks)

**QUESTION THREE**

- (a) Discuss the instances when a court may order the lifting of a company's corporate veil. (10 marks)

- (b) Winding up of a company represents the proceedings by which a company is dissolved. Explain the circumstances under which a company can be wound up by the court. (10 marks)

**QUESTION FOUR**

- (a) Jane wants to register a new company but is facing a challenge in the selection of an appropriate name. Advise Jane on the formalities and rules applicable in choosing a company name. (10 marks)
- (b) Explain the steps in incorporation of a company. (10 marks)
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